

Exhibit F**Financial Proposal Submittal Requirements**

The Authority Financial Proposal for Evaluation Stage 4 shall contain the following:

Section	Reference	Instructions
Price Proposal	Section A	The Offeror shall complete Exhibit G, which will be used to complete Attachment B to the Authority Signature Document
Cost Model	Section B	The Offeror shall develop a Cost Model provide support of the Price Proposal
Rolling Stock Cost Model	Section C	The Rolling Stock Cost Model shall be used for Evaluation Stage 4
Rolling Stock Cost Commitments	Section D	The Offeror shall complete Form C of Exhibit C, which will be used to complete Attachment J of the Authority Signature Document.

Section A. Price Proposal

The Offeror shall complete Exhibit G to the ITO with the Offeror's pricing information. The Price Proposal shall be used to complete Attachment B to the Authority Signature Document. This section provides the instructions for completing Exhibit G.

The Price Proposal will form the basis to complete Authority Rolling Stock Cost Model (see Exhibit H), which be used in Evaluation Stage 4 set forth in Exhibit A. Instructions to complete the Authority Rolling Stock Cost Model is presented in Section C below.

Capitalized terms used in this Exhibit F that are not otherwise defined in the ITO shall have the meaning given them in the Authority General Provisions.

1. Price Proposal

1.1. Fleet 1 and Fleet 2 Milestone Contract Amount

The Offeror shall input the unit price of each of the products and services required of the Contractor into Exhibit G. The Offeror shall calculate the total price without escalation of each of the products and services by multiplying by the quantity of units, as set forth in the Contract, by the unit prices. The sum of the total prices without escalation of each of the products and services shall comprise the Milestone Contract Amount in Exhibit G.

The Milestone Contract Amount shall be entered into Attachment B to the Authority Signature Document. At the Price Adjust Date, the Milestone Contract Amount shall be adjusted for escalation as set forth in Schedule 4 to the Authority General Provisions.

1.2. Fleet 3, Fleet 4, Fleet 5, and Fleet 6

The Offeror shall input the unit price of one Trainset for three Fleets (Fleet 3, Fleet 4, and Fleet 5) of up to five additional Trainsets each into Exhibit G. The Offeror shall also input the unit price of one Trainset for Fleet 6 for up to 55 additional Trainsets into Exhibit G. These shall be known as Fleet 3 Options Unit Price, Fleet 4 Options Unit Price, Fleet 5 Options Unit Price and Fleet 6 Options Unit Price.

The Fleet 3 Options Unit Price, Fleet 4 Options Unit Price, Fleet 5 Options Unit Price and Fleet 6 Options Unit Price shall be entered into Attachment B to the Authority Signature Document. At the respective Price Adjust Date for Fleet 3, Fleet 4, Fleet 5, and Fleet 6, the unit prices shall be adjusted for escalation as set forth in Schedule 4 and entered into Attachment B to the Authority Signature Document. The escalated Fleet 3 Options Unit Price, Fleet 4 Options Unit Price, Fleet 5 Options Unit Price and Fleet 6 Options Unit Price shall be multiplied by the number of Trainsets in each Fleet, as selected by the Owner, to calculate Fleet 3 Milestone Contract Amount, Fleet 4 Milestone Contract Amount, Fleet 5 Milestone Contract Amount and Fleet 6 Milestone Contract Amount and be entered into Attachment B to the Authority Signature Document.

1.3. Manufacturing Restart Payment

The Offeror shall input the Manufacturing Restart Payment as set forth in Article 10.3 into Exhibit G.

The Manufacturing Restart Payment shall be entered into Attachment B to the Authority Signature Document. At the Price Adjust Date for a given Fleet, the Manufacturing Restart Payment shall be adjusted for escalation as set forth in Schedule 4 to the Authority General Provisions.

1.4. Service Payments

The Offeror shall input the five separate Trainset Incremental Service Payments into Exhibit G.

- Trainset Incremental Service Payment 1 shall reflect the payments for spares required on a monthly basis for each Trainset, for up to 5 Trainsets, during the Overall Trainset Service Period.
- Trainset Incremental Service Payment 2 shall reflect the payments for spares required on a monthly basis for each Trainset, for more than 5 and up to 10 Trainsets, during the Overall Trainset Service Period.
- Trainset Incremental Service Payment 3 shall reflect the payments for spares required on a monthly basis for each Trainset, for more than 10 and up to 15 Trainsets, during the Overall Trainset Service Period.
- Trainset Incremental Service Payment 4 shall reflect the payments for spares required on a monthly basis for each Trainset, for more than 15 and up to 20 Trainsets, during the Overall Trainset Service Period.
- Trainset Incremental Service Payment 5 shall reflect the payments for spares required on a monthly basis for each Trainset, for more than 20 Trainsets, during the Overall Trainset Service Period.

The Contractor shall be paid the applicable Trainset Incremental Service Payment as set forth in Article 10 of the Authority General Provisions.

The Offeror shall input the Mileage Incremental Service Payment into Exhibit G. The Mileage Incremental Service Payment shall reflect the payment for spares required on a monthly basis to service the Authority's Trainsets for actual miles travelled by Trainsets from Fleets 1 through Fleet 6. The Contractor shall be paid the applicable Mileage Incremental Service Payment as set forth in Article 10 of the Authority General Provisions.

The Trainset Incremental Service Payment and the Mileage Incremental Service Payment shall be entered into Attachment B to the Authority Signature Document. In accordance with Schedule 4 of the Authority General Provisions, the Trainset Incremental Service Payment and Mileage Incremental Service Payment shall be adjusted for escalation on an annual basis.

Section B. Cost Model

The Offeror shall provide a Cost Model that supports the Price Proposal and Financial Plan (see Exhibit I Financial Capability Submittal Requirements).

Cost Model Requirements

The Cost Model must meet the following minimum requirements:

- a. be compatible with Microsoft Excel 2007;
- b. not incorporate workbook, worksheet or macro password protection;
- c. not contain any hard coded data, other than the inputs set out in separately identifiable input sheets;

- d. be expressed in U.S. dollars (USD) as of the Close Date without escalation and in nominal terms with Base Case escalation (see Section C) as specified;
- e. include inputs and assumptions, supported by a complete data book (with all relevant calculations);
- f. clearly differentiate between inputs and workings during the periods outlined in Part 1 below;
- g. be prepared in terms of IFRS, with appropriate accounting treatment applied throughout the periods covered in the Cost Model;
- h. able to perform sensitivities on all the key assumptions/inputs based on the scenarios presented in Part 4 below;
- i. include detailed instructions for a user to calculate and optimize the model.

1. Periods

The Cost Model shall have two periods: (1) Construction Period and (2) Service Period and shall be consistent with the periodicity and timing of the Authority Rolling Stock Cost Model.

2. Assumptions

The Offeror shall use the following assumptions for the Cost Model.

Close Date	June 30, 2014
Annual Escalation Rate for Price Escalation	2.23%
Price Adjust Date and NTP for Fleet 1	June 30, 2015
Price Adjust Date and NTP for Fleet 2	June 30, 2018
Service Payment Start Date	January 31, 2023

The Offeror shall also make necessary assumptions beyond the assumptions above to develop the Cost Model. The Offeror shall also refer to dates in the Authority General Provisions, such as Article 12 of the Authority Signature Document. The assumptions are for evaluation purposes only. The Offeror is required to meet all specifications of the Authority General Provisions.

The Offeror's Cost Model shall demonstrate and support the Offeror's price proposal, delivery and milestones schedule, and proposed Financial Plan.

3. Cost Model Outputs

The Cost Model submitted by the Offeror shall include the following outputs:

- a. Output A-1: Price
- b. Output A-2: Pro Forma Financial Statements of the Contractor
- c. Output A-3: Forecast Sources of Funds
- d. Output A-4: Forecast Uses of Funds
- e. Output A-5: Forecast of Key Financial Ratios and Covenants

3.1. Output A-1 – Price

Output A-1 shall be consistent with the prices provided in Exhibit G and the Rolling Stock Cost Model such that the Authority can determine the buildup of the price.

3.2. Output A-2 – Pro Forma Financial Statements of the Contractor

The Offeror shall provide pro forma financial statements, including cash flow statement, balance sheet, and profit and loss statement in nominal U.S. dollars. The financial statements should include as revenue the payments made to the Contractor.

3.3. Output A-3 – Forecast Sources

The Offeror shall present the forecast sources of funds for the requirements set forth in the Contract, including payments made to the Contractor and any sources of funds from potential financing as required by the Contractor. The forecast sources of funds shall be presented in nominal U.S. dollars.

If financing is required by the Contractor, the forecast sources of funds shall indicate the proposed sources of financing, including senior debt, subordinated debt, and equity contributions. The forecast sources of funds shall indicate the amount of funds, the timing of anticipated drawdowns, and any capitalization of interest.

3.4. Output A-4 – Forecast Uses

The Offeror shall present the forecast uses of funds for the requirements set forth in the Contract in detail consistent with the Input B-2 of Cost Model. The forecast uses of funds shall provide details on costs associated with financing, including the funding of reserve accounts and other covenants. The forecast uses of funds shall be presented in nominal U.S. dollars.

3.5. Output A-5 – Forecast of Key Financial Ratios and Covenants

The Offeror shall present the forecast of key financial ratios, including, but not limited to, project internal rate of return (IRR), equity IRR (if applicable), net operating margin, and net profit margin.

If the Offeror anticipates the use of financing, the Offeror shall provide key debt and interest coverage ratios and ratios related to anticipated financial covenants.

4. Cost Model Inputs and Assumptions

The Cost Model submitted by the Offeror shall include, at a minimum, the following inputs:

- a. Input B-1: Delivery and Acceptance Schedule
- b. Input B-2: Cost Component Detail
- c. Input B-3: Escalation Information
- d. Input B-4: Financing Assumptions

4.1. Input B-1 – Delivery and Acceptance Schedule

The Offeror shall provide the schedule for the delivery and acceptance of the products and services to be provided under Contract.

4.2. Input B-2 – Cost Component Detail

The Offeror shall provide detailed cost information that is used to build up the Price Proposal. The level of detail shall include the costs of major components, sub-components, and labor at a level appropriate for the Authority to understand how the Price Proposal is derived.

Costs shall be provided in U.S. dollars as of the Close Date without escalation and also in nominal U.S. dollars with Base Case escalation. The Offeror shall also indicate any assumptions used for foreign exchange rates into U.S. dollars.

At minimum, the Offeror shall provide in the Cost Component Detail (including major components, sub-components, and labor) for:

- a. Authority Trainsets;
- b. Authority prototypes;
- c. Capital spares;
- d. Consumables;
- e. Spare parts.

4.3. Input B-3 – Escalation Information

The Offeror shall assume an escalation rate of 2.23% annually.

4.4. Input B-4 – Financing Assumptions

If the Offeror chooses or requires financing as part of their cost structure, the Offeror shall provide details of the components of financing, including, but not limited to, senior debt, subordinated debt, and equity. The Offeror shall provide financing assumptions, including, but not limited to, interest rates, equity IRR, reserve requirement requirements, and financial covenants.

The Offeror shall provide costs for the security and bonding requirements as set forth in the Authority Contract.

Section C. Authority Rolling Stock Cost Model

The Offeror shall complete Form C-1 through Form C-8 (ITO Exhibit H) to determine the Authority Rolling Stock Cost (see Exhibit H of the Instructions to Offerors) that will be used for Evaluation Stage 4 to attain the Authority Financial Score for each Offeror. The amounts and payments specified in this section shall only be for evaluation purposes.

Offeror shall input the required inputs into the blue cells in the Authority Rolling Stock Cost Model; the grey and clear cells shall not be edited or changed. This section provides the instructions to complete Form C-1 through Form C-8.

The Offeror shall input the required inputs as unescalated amounts, unless otherwise specified. The prices and costs in the Authority Rolling Stock Cost Model will be escalated using the escalation assumptions in the Model.

1. Authority Rolling Stock Cost for Evaluation Stage 4

The Authority Rolling Stock Cost for Evaluation Stage 4 will be based on net present value (NPV) and shall be the sum of the following:

- a. C-1 – NPV of the Fleet 1 and Fleet 2 Milestone Payments
- b. C-2 – NPV of Fleet 3, Fleet 4, Fleet 5, and Fleet 6 Milestone Payments
- c. C-3 – NPV of Service Payments
- d. C-4 – NPV of Manufacturing Restart Payment
- e. C-5 – NPV of Maintenance Labor Costs
- f. C-6 – NPV of Track Maintenance Adjustment
- g. C-7 – NPV of Energy Costs
- h. C-8 – NPV of Seat Revenue Adjustment

The Authority Rolling Stock Cost is calculated in the Rolling Stock Cost sheet of the Authority Rolling Stock Cost Model. The Authority Rolling Stock Cost will be used in Evaluation Stage 4 to determine the Authority Financial Score.

1.1. NPV of Milestone Payments

The Offeror shall input the Fleet 1 and Fleet 2 Milestone Contract Amounts into Form C-1. The Offeror shall also input the dates (using the end of the month) that the Offeror shall achieve the Milestones as set for in Schedule 3A of the Authority General Provisions. These dates shall be not before the assumed Fleet 1 NTP date of June 30, 2015 and Fleet 2 NTP date of June 30, 2018, respectively. The dates shall be consistent with the dates proposed in the Offeror's Technical Proposal.

1.2. NPV of Fleet 3, Fleet 4, Fleet 5 and Fleet 6 Milestone Payments

The Offeror shall input the Fleet 3 Options Unit Price, Fleet 4 Options Unit Price, Fleet 5 Options Unit Price, and Fleet 6 Options Unit Price into Form C-2. The Offeror shall also input the dates (using the end of the month) that the Offeror expects to achieve the Milestones as set forth in Schedule 3B of the Authority General Provisions.

The Offeror shall assume that two (2) Trainsets are ordered from Fleet 3, Fleet 4, Fleet 5, and Fleet 6, respectively. The Offeror shall assume that the Owner issues NTP for Fleet 3, Fleet 4, Fleet 5 and Fleet 6 on January 31, 2023 and that the Price Adjust Date for each Fleet is January 31, 2023.

1.3. NPV of Service Payment

The Offeror shall input Trainset Incremental Service Payment 1, Trainset Incremental Service Payment 2, Trainset Incremental Service Payment 3, Trainset Incremental Service Payment 4, Trainset Incremental Service Payment 5, and Mileage Incremental Service into Form C-3.

1.4. NPV of Manufacturing Restart Payment

The Offeror shall input the Manufacturing Restart Payment that shall be made to the Contractor into Form C-4.

1.5. NPV of Maintenance Labor Costs

The Offeror shall input the required monthly hours of maintenance labor into Form C-5. The required hours of maintenance labor shall be consistent with the Maintenance Plan provided by the Offeror in the Technical Proposal.

1.6. NPV of Track Maintenance Adjustment

The Offeror shall input the Actual Axle Loading and the Actual Unsprung Axle Mass in tonnes of the Trainsets into Form C-6. The loading of the Trainsets shall be consistent with the Technical Proposal provided by the Offeror.

The formula to calculate the monthly Track Maintenance Adjustment is:

$$\text{Monthly Track Maintenance Adjustment} = - [(17 - \text{Actual Axle Loading}) + (10 * (2.3 - \text{Actual Unsprung Axle Mass}))] * 0.1 * (\text{Annual Track Maintenance Cost} / 12)$$

1.7. NPV of Energy Costs

The Offeror shall input the Gross Energy Usage per mile and Gross Energy Regenerated per mile (in kWh per mile) into Form C-7.

The Monthly Net Energy Cost shall be based on the Gross Energy Usage per mile, Gross Energy Regenerated per mile, monthly Baseline Fleet Mileage, and the cost per kWh. The monthly Baseline Fleet Mileage and the cost per kWh are provided in Form C-8. The Gross Energy Usage per mile and Gross Energy Regenerated per fleet-mile shall be consistent with the Offeror's Technical Proposal.

The formula to calculate the Monthly Net Energy Cost is:

$$\text{Monthly Net Energy Cost} = [(\text{Gross Energy Usage per mile} * \text{Monthly Baseline Fleet Mileage}) - (\text{Gross Energy Regenerated per mile} * \text{Monthly Baseline Fleet Mileage})] * \text{Cost per kWh}$$

1.8. NPV of Seat Revenue Adjustment

The Offeror shall input the Actual Passenger Seats per Trainset into Form C-8. The minimum number of seats allowed per Trainset is 440. The Offeror shall not receive any benefit in the Evaluation Stage 4 for additional seats over 450 seats per Trainset. The Authority Rolling Stock Cost shall be adjusted to reflect the estimated cost per seat less than 450 seats per Trainset with a minimum of 440 seats per Trainset.

The formula to calculate the monthly Seat Revenue Adjustment is:

*Monthly Seat Revenue Adjustment = (450 – Actual Passenger Seats per Trainset) * (Annual Cost per Seat / 12)*

Section D. Rolling Stock Cost Commitments

The Offeror shall complete Form C of Exhibit C with the inputs from Forms C-5 through Exhibit C-8 of the Authority Rolling Stock Cost Model (see Section C, above). Form C shall be entered into Attachment H of the Authority Signature Document.